



**Justin P. Wilson, Comptroller**

December 15, 2016

## **Comptroller Raises Concerns about Operation of East Ridge Needy Child Fund**

Tennessee Comptroller Justin P. Wilson is raising questions about the administration of a fund that is supposed to help families in need, particularly children during Christmas.

The city of East Ridge in Hamilton County supports its Needy Child Fund through donations and fundraising activities. In 2015, the city's Fire Rescue Department operated Santa's Village at a city park, where vendors sold various Christmas goods and other items. Sales from Santa's Village served as the primary revenue source for the Needy Child Fund.

East Ridge Fire Chief Mike Williams, who is also the former interim city manager, was responsible for receiving collections, counting money, and making deposits from Santa's Village sales.

Comptroller investigators determined that Williams failed to deposit \$9,442.26 in cash from Santa's Village until May 27, 2016, which was 146 days after Santa's Village closed. Comptroller investigators contacted Williams on May 26, 2016 to inquire about the Needy Child Fund. He said he had forgotten about the cash, which he claimed was mistakenly left in a locked safe within his city-issued vehicle.

Comptroller investigators noted that Williams deposited Needy Child Fund checks in 2016 on January 6, 11, and February 2; however, he did not deposit the cash until May 27, 2016.

Investigators also found problems with missing vendor contracts, inappropriate cash disbursements made from Santa's Village collections, lack of documentation for credit card transactions, and a failure to maintain inventory records for items purchased for resale at Santa's Village.

"Sound public policy dictates the importance of separating money handling responsibilities between more than one person," said Comptroller Justin P. Wilson. "When multiple people are involved in this process, it reduces the chance of error or unauthorized activity."

To view the investigation online, go to: <http://www.comptroller.tn.gov/ia/>

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